



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL

THE ENERGY & TECHNOLOGY COMMITTEE

Senate Bill 460: AAC LOW INCOME ENERGY RATE

March 16, 2010

TESTIMONY OF CHAIRMAN KEVIN M. DELGOBBO

The Department of Public Utility Control (Department) notes that Raised Bill 460 is a mirror image of Section 1 of House Bill No. 5505 and consequently, repeats the comments and concerns it raised in the latter bill herein as well.

Raised Bill 460 requires the Department to conduct a proceeding to establish and implement into rates, a rate for low-income customers who receive means-tested assistance administered by the state or federal government. The Department is also charged under this proposal with coordinating resources and programs of, it is presumed, the Office of Policy and Management (OPM) as well as of the Department of Social Services (DSS) as they relate to initiatives for low-income applicants. Lastly, the Department must prepare a cost-benefit analysis of the cost of such discounted programs.

While the Department is not opposed to opening a docket on this matter to analyze the total implications of creating a low-income rate, the Department is concerned with the manner in which this proposal moves from exploring the concept to implementation regardless of what conclusion the Department uncovers in its analysis of the facts. Rather, the Department would propose that this section be re-written to allow for a Department proceeding on the matter, in which the Department would conduct a thorough examination and strive to meet the intent of this bill by developing a rubric whereby those who need a lifeline rate are not burdening a different class of ratepayers to meet the inherent goals addressed by this section.

The Department recognizes that the underlying intent of this section certainly is admirable. However, it urges that the policy makers proceed more cautiously and take full consideration of exponential cost such initiatives might have on other ratepayers before moving to implementation by enacting law. Furthermore, since this new rate may be in addition to those programs undertaken by OPM and the CAPP agencies, the Department notes that the average utility ratepayer may be paying for this subsidy both as a taxpayer and as a utility consumer. If this bill should become law, the costs of those programs will be shifted onto a different class of ratepayers.

The Department thanks the Committee for this opportunity to testify and looks forward to working with it on this Raised Bill.